

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 2 — 0 0 3

2. STATE:

TENNESSEE

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

September 1, 2002

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☒ AMENDMENT TO BE CONSIDERED AS NEW PLAN☐ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 435

7. FEDERAL BUDGET IMPACT:

a. FFY 2002/2003 \$ 0

b. FFY 2003/2004 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 2.6-A, Supplement 1, pages 1, 2, & 3.

Attachment 2.6-A, Supplement 12, page 1.

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 2.6-A, Supplement 1, pages 1 & 2.

Attachment 2.6-A, Supplement 12, page 1.

10. SUBJECT OF AMENDMENT:

Eligibility Under Section 1931 of the Act; Income Eligibility Levels.

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ OTHER, AS SPECIFIED:☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Manny Martins

14. TITLE:

Deputy Commissioner

15. DATE SUBMITTED:

December 30, 2002

16. RETURN TO:

Tennessee Department of Finance
and Administration

Bureau of TennCare

729 Church Street

Nashville, Tennessee 37247-6501

Attn: George Woods

17. DATE RECEIVED:

December 30, 2002

18. DATE APPROVED:

March 14, 2002

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

October 1, 2002

20. SIGNATURE OF REGIONAL OFFICIAL:

Rhonda R. Cottrell

21. TYPED NAME:

Rhonda R. Cottrell

22. TITLE:

Associate Regional Administrator
Division of Medicaid & Children's Health

23. REMARKS:

Approved with the following change in item #4:

Proposed effective date changed from September 1, 2002 to October 1, 2002

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: TENNESSEE

ELIGIBILITY UNDER SECTION 1931 OF THE ACT

The State covers low-income families and children under section 1931 of the Act.

The following groups were included in the AFDC State plan effective July 16, 1996:

 X Pregnant women with no other eligible children.

 X AFDC children age 18 who are full-time students in a secondary school or in the equivalent level of vocational or technical training.

 In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996 without modification.

 X In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996, with the following modifications.

 The agency applies lower income standards which are no lower than the AFDC standards in effect on May 1, 1988, as follows:

 The agency applies higher income standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:

 The agency applies higher resource standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:

 X The agency uses less restrictive income and/or resource methodologies than those in effect as of July 16, 1996, as follows:

1. Earned income deduction that is equal to \$90 plus \$30 and 1/3 or the current TANF general earned income disregard, whichever is higher, for applicants and recipients.

Example:

Aid Group Size	1
CNS	\$510
	90
	30
	<u>130 (1/3 amount)</u>
	\$250
	<u>\$250 - \$150 = \$100</u>
	\$100 = 1931 disregard

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STATE: TENNESSEE

ELIGIBILITY UNDER SECTION 1931 OF THE ACT

2. Up to \$2000 in resources will be excluded. Escrow profits for low-income entrepreneurs and Individual Development Accounts (IDA) of up to \$5,000 each plus interest earned are excluded as countable resources.
3. Lump sum payments will be considered as a resource in the month received and thereafter if retained.
4. The first \$4,600 of equity value in an automobile will be disregarded. Any excess equity value of the automobile or the equity value of any other vehicle(s) will be considered as a resource and applied to the \$2,000 resource limit set forth in item 2. above.

The income and/or resource methodologies that the less restrictive methodologies replace are as follows:

1. Thirty dollar disregard was allowed for a total of twelve months, one-third disregard for four months, and the \$90 disregard for an unlimited time period as long as there were earnings.
2. The cash assistance resource limit was \$1,000. There was no previous exclusion of escrow profits for low-income entrepreneurs or IDAs.
3. Prior policy required determination of a period of ineligibility using the lump sum as income divided by the Consolidated Need Standard (CNS) for the aid group (AG) size. The CNS for an AG containing 24 persons of \$1,199 is much less than the \$2,000 resource limit now used to determine a period of ineligibility. Ineligibility under prior policy was a predetermined quotient that could be reduced only under certain specified circumstances. Under new policy the AG may be ineligible for one month only unless the AG retains the lump sum and it cause resource ineligibility in subsequent months. Using the lump sum as income previously usually resulted in more than one month of ineligibility (e.g. \$2,000 lump sum ÷ \$677 CNS for 3 = 2 months ineligibility plus \$646 counted as an income in the third month. Under new policy this lump sum would not have caused ineligibility unless the AG had additional resources. Even so, the AG would have opportunity to spend the excess resources to become resource eligible in the subsequent month with only one month of ineligibility).
4. The equity value of one vehicle in excess of \$1,500 was a countable resource.

_____ The agency terminates medical assistance (except for certain pregnant women and children) for individuals who fail to meet TANF work requirements.

 X The agency continues to apply the following waivers of provisions of Part A of Title IV in effect as of July 16, 1996, or submitted prior to August 22, 1996 and approved by the Secretary on or before July 1, 1997.

§§402(a)(38) and 402(a)(41) and the various provisions of the regulations at 45 CFR 206.10(a)(1)(vii), 233.100(a)(1), (2), (3) and (c)(1)(iii) and (iv), and (c)(2)(1) and 233.101(a)(1), (2), (3), and (c)(1)(iii) and (iv), and (c)(2)(1) to allow the State to eliminate the unemployed

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ELIGIBILITY UNDER SECTION 1931 OF THE ACT

parent requirement that the principal earner be employed less than 100 hours per month in situations where the caretaker in an AFDC family marries a nonrecipient.

§402(a)(31) and the various provisions of the regulations at 45 CFR 233.20(a)(3)(xiv) to allow the State to disregard the income of a new spouse who marries a recipient if the income, minus child support payments made to a child outside the assistance unit, is less than 185 percent of the standard of need for the assistance group size.

D1043059

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Tennessee

INCOME ELIGIBILITY LEVELS

A. MANDATORY CATEGORICALLY NEEDY

1. AFDC-Related Groups Other Than Poverty Level Pregnant Women and Infants:

<u>Family Size</u>	<u>Gross Income Need Standard</u>	<u>Consolidated Need Payment Standard</u>	<u>Maximum Payment Amounts</u>
1	777	420	95
2	1110	600	142
3	1252	677	185
4	1289	697	226
5	1489	805	264
6	1507	815	305
7	1633	883	345
8	1655	895	386
9	1838	994	425
10	1875	1014	467
11	1929	1043	508
12	1977	1069	549
13	2020	1092	589
14	2055	1111	630
15	2083	1126	670
16	2109	1140	711
17	2131	1152	750
18	2149	1162	790
19	2162	1169	831
20	2173	1175	871

- Income in the amount of the difference between the AFDC standard(s) in effect on July 16, 1996 and the current TANF standard(s) applicable to the family involved is disregarded

NOTE: This will effectively raise the income eligibility standard used for a family to the level of the one which would be used under TANF, including any higher standard used for child-only cases, caretakers who are disabled over 60, and caretakers caring full-time for a disabled family member.

D1033059

TN No. 2002-8

Approval Date 03/14/03

Effective Date 10-1-2002

Supersedes

No. 99-7

HCFA ID: 7985E